

**HOG PRODUCTION: Farrow-to-Finish, Farrow-to-Feeder,  
Feeder Pig-to-Finish, Costs and Returns, Heartland Region, 2004 1/**

| Item   | All Hog Producers | Farrow to Finish | Farrow to Feeder 2/ | Feeder Pig To Finish |
|--|-------------------|------------------|---------------------|----------------------|
| <u>Dollars per Cwt Gain 3/</u>                     |                   |                  |                     |                      |
| <b>Gross value of production</b>                   |                   |                  |                     |                      |
| Market hogs  | 48.09             | 47.35            | 2.31                | 57.72                |
| Feeder pigs  | 12.60             | 0.90             | 126.41              | 0.18                 |
| Cull stock   | 1.37              | 2.42             | 3.55                | 0.01                 |
| Breeding stock                                     | 0.63              | 0.22             | 0.25                | 0.01                 |
| Inventory change                                   | -0.17             | 0.05             | -6.65               | 1.11                 |
| Other income 4/                                    | 1.86              | 1.76             | 1.54                | 2.04                 |
| Total gross value of production                    | 64.38             | 52.70            | 127.41              | 61.07                |
| <b>Operating costs</b>                             |                   |                  |                     |                      |
| Feed   |                   |                  |                     |                      |
| Grain  | 8.04              | 10.21            | 1.91                | 6.57                 |
| Protein sources                                    | 9.63              | 13.55            | 1.09                | 6.17                 |
| Complete mixes                                     | 9.78              | 5.95             | 30.80               | 10.94                |
| Other feed items 5/                                | 0.25              | 0.43             | 0.25                | 0.09                 |
| Total feed costs                                   | 27.70             | 30.14            | 34.05               | 23.77                |
| Other  |                   |                  |                     |                      |
| Feeder pigs  | 15.43             | 0.08             | 0.71                | 33.30                |
| Veterinary and medicine                            | 1.22              | 1.67             | 2.74                | 0.56                 |
| Bedding and litter                                 | 0.03              | 0.04             | 0.06                | 0.02                 |
| Marketing  | 0.67              | 0.34             | 3.81                | 0.58                 |
| Custom services                                    | 0.34              | 0.29             | 0.29                | 0.42                 |
| Fuel, lube, and electricity                        | 1.77              | 1.90             | 4.58                | 1.12                 |
| Repairs  | 0.97              | 1.38             | 1.22                | 0.45                 |
| Other operating costs 6/                           | 0.04              | 0.03             | 0.04                | 0.03                 |
| Interest on operating capital                      | 0.38              | 0.28             | 0.37                | 0.47                 |
| Total operating costs                              | 48.55             | 36.15            | 47.87               | 60.72                |
| <b>Allocated overhead</b>                          |                   |                  |                     |                      |
| Hired labor  | 2.82              | 3.28             | 13.77               | 0.48                 |
| Opportunity cost of unpaid labor                   | 5.54              | 7.09             | 7.33                | 3.33                 |
| Capital recovery of machinery and equipment 7/     | 11.89             | 12.66            | 30.67               | 7.46                 |
| Opportunity cost of land (rental rate)             | 0.05              | 0.06             | 0.08                | 0.02                 |
| Taxes and insurance                                | 0.49              | 0.54             | 0.94                | 0.36                 |
| General farm overhead                              | 1.05              | 1.17             | 1.63                | 0.79                 |
| Total, allocated overhead                          | 21.84             | 24.80            | 54.42               | 12.44                |
| Total costs listed                                 | 70.39             | 60.45            | 102.29              | 73.16                |
| <b>Value of production less total costs listed</b> | -6.01             | -8.25            | 25.12               | -12.09               |
| <b>Value of production less operating costs</b>    | 15.83             | 16.55            | 79.54               | 0.35                 |
| <b>Supporting information</b>                      |                   |                  |                     |                      |
| Production arrangement (percent of production)     |                   |                  |                     |                      |
| Independent  | 69                | 99               | 22                  | 47                   |
| Under contract                                     | 31                | 1                | 78                  | 53                   |
| Size of operation (head sold/removed)              |                   |                  |                     |                      |
| Market hogs  | 2,085             | 1,896            | 80                  | 2,931                |
| Feeder pigs  | 1,226             | 61               | 10,738              | 13                   |

1/ The Heartland Region includes portions of South Dakota, Nebraska, Iowa, Missouri, Illinois, Indiana, Ohio, and Minnesota's Ag. Statistics Districts 4, 7, 8, and 9. Minnesota is also part of the Northern Crescent and Northern Great Plains Regions. Information is available about the Northern Crescent and Northern Great Plains Regions on the ERS website. Developed from survey base year, 1998.

2/ Farrow to Feeder data are for the United States (Heartland Region data are not available).

3/ Cwt gain=(cwt sold-cwt purchased) + cwt inventory change.

4/ Value of manure production.

5/ Milk replacer, milk, milk by-products, antibiotics, and other medicated additives.

6/ Costs for odor control, fees, permits, licenses, and other regulatory costs.

7/ Machinery and equipment, and housing, manure handling, and feed storage structures, and breeding herd.

Source: Economic Research Service, United States Department of Agriculture, Washington, D.C.

Internet Web Site ([www.ers.usda.gov/data/](http://www.ers.usda.gov/data/))